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Technical Report

(Summary of the Study Report
on
THE PIREP : AN EVALUATION OF
REOTI AND BANSDIH BLOCKS)

V.B. Singh
R.S. Mathur

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I. The PIREP

The Fifth Plan document, in contrast to earlier Plan documents, explicitly states that "no rate of growth that can be realistically envisaged could make a major impact on the problem (of poverty) within the foreseeable future if inequality remains as acute as at present" (p. 7). In this context, special employment programmes, together with monetary and fiscal measures, are designed to be powerful policy instruments for ensuring growth as well as reduction in equality.

Pilot Intensive Rural Employment Project (hereafter PIREP) which was launched in 1972, on the recommendation of Bhagwati Committee on Unemployment, on an experimental basis in one Development Block of 15 States, forms part of the changed strategy to directly combat poverty. As envisaged by the Bhagwati Committee it is a study-cum-action project. PIREP has following objectives :

1. To provide gainful and productive employment in the area of the Project, in activities not involving skills of a higher order to all those able-bodied who are willing to work;
2. To utilise the funds appropriate for the project for creating infrastructure which could (a) effect the enlargement of employment opportunities in a qualitative manner; (b) be a durable and a growing nature and (c) be integrated into the Area Development Plan;
3. To develop, at least among those who are employed in the Project, new skills to facilitate their entry into secondary and tertiary sectors of the rural or urban economy;
4. To study (a) the size and nature of rural unemployment and (b) the effect of PIREP on local wage rates, if any, so that extensive programmes under PIREP could be launched on country-wide basis.

In Uttar Pradesh work under PIREP is progressing in Bansdih and Reoti Blocks. Commencing from November 1972, the PIREP was to last for three years. The projected physical targets for achievement under the PIREP in the two blocks were (i) levelling and reclamation of 25 acres of land for purposes of cultivation; (ii) construction of bunds which would release

2,000 acres of land for cultivation; (iii) construction of 100 wells for Scheduled Caste population (Harijans) which would benefit 1,500 households; (iv) construction of 28 pisciculture tanks and (v) construction of pucca roads, 61 K.M. in all, to improve transport facility.

II. Present Study : Scope and Design

The present study, therefore, seeks to evaluate the achievements under PIREP in U.P. Particularly, our interest lies in discovering the impact of the Project on the volume and type of employment generated. In addition, we are interested in finding out the types of works undertaken together with the basis of their selection; the extent to which durable assets have been created; and the socio-economic background and attitude of the working force.

Our methodology is the same, as outlined by the Evaluation Committee set up by the Ministry of Agriculture and Irrigation, Union Government under the Chairmanship of Professor Dantwala. This involves (i) an analysis of official statistics; (ii) interview of knowledgeable persons in the Block and the District; (iii) a sample survey of rural households and (iv) a sample survey of the direct beneficiaries of the Project.

For household survey, a two-stage sampling procedure was followed. First, 5 villages from each of the two Blocks of Bansdih and Reoti were selected in a simple random manner with the probability proportional to population. A census of the households in the selected villages was undertaken to get a list of households. Thereupon, second stage, a fixed number of households (forty) was selected in a simple random manner from each village, with the provision that if there were forty or less households in a selected village, then all the households would be studied. A sample of 200 households, each for Bansdih and Reoti was thus obtained.

For drawing a sample of direct beneficiaries (defined as those employed on works under PIREP) 3 employment projects which had been in progress for more than three months during the period immediately preceding the survey were selected from each of the two Blocks. For this purpose, the projects sponsored under PIREP were classified under three sub-heads : (a) road construction; (b) productive and (c) others; and one 'work' from each category was selected. Under (a) above we selected one road in each Block planned to be of 4.5 Kms.

at Bansdih (for the period ending October 31, 1975) and 2.4 kms. at Reoti (for the period ending October 1974). Under category (b) we selected pisciculture tanks in each Block. Under category (c), we selected a 'bundh' at Bansdih and a Harijan drinking water well made for bricks (in Harijan Basti) at Reoti. The work was in progress on all projects except Harijan drinking water well and road construction at Reoti. The work on drinking water well had been 'completed' (though the well itself had gone into despair) and the work on road construction had been temporarily halted on account of a dispute between the authorities and certain individuals who laid their claims on the ownership of land on which road was being constructed. Muster Rolls of each of the selected projects were examined and the names of 25 workers on record were drawn through simple random sampling from each project. This yielded a sample of 75 direct beneficiaries of PIREP from each Block.

Two separate questionnaire-schedules -- one for sample households and the other for PIREP workers -- were canvassed, during the period May - September 1975. The major findings of the study are summarised in the following paragraphs.

III. Sample Characteristics

An overwhelming proportion of households derives their livelihood from agriculture (about 71 per cent). Of these only about 31 per cent are cultivators (marginal or small) and the rest (i.e. 40 per cent) are landless/agricultural labourers. However, nearly 70 per cent of the households having land, own less than 2.5 acres in both the Blocks. Total value of investment assets with an average households is estimated at Rs.3,395. Of this, means of irrigation account for only about 8 per cent; livestock about 15 per cent and the remainder is accounted for by "house". As a result of the neglect accorded to means of irrigation, only about 17 per cent of the land held by the sample households is irrigated. This percentage is much higher for Bansdih (about 30 per cent), where irrigation is possible through a canal, than for Reoti (about 9 per cent only). The reason why small cultivating households are not investing on means of irrigation in Reoti in contrast to their counterparts in Bansdih, seems to be that Reoti is frequently affected by floods. The importance of flood prevention projects is, therefore, to be viewed not only in terms of the direct employment generated, or the land released for cultivation but also in terms of the

incentive such projects would provide to small farmers to allocate their meagre resources in more productive as well as assured channels of investment.

For the reasons stated above, the annual income from agriculture of an average household in Bansdih is higher (Rs.1,196) than that in Reoti (Rs.874). Adding income from non-agricultural works the total annual income of an average household is Rs.2,780 in Bansdih and Rs.2,556 in Reoti. The per capita income for population in sample households works out annually to Rs.424 in Bansdih and Rs.372 in Reoti. The average level for two blocks combined is Rs.398.

The average household in the two blocks has 6.7 members. Demographic features of population are characteristic of a poor region. Thus, the sex-ratio is adverse to females : there being 778 females per 1,000 males. With 39 per cent of population below 15 years, the age pyramid too has a relatively broad base indicative of adverse worker-dependent ratio. For every 100 persons in the 'economically active age-group' (age-group 15-59) there are at least 85 in the dependent age-group. Marriage is nearly universal : 47 per cent of the population is 'currently' married and about 3 per cent is either widowed or divorced. Thus, the proportion of 'ever married' in the population is about 50 per cent.

Most of the people (about 80 per cent) are illiterate. Our population seems to have a utilitarian's approach to education. In spite of high levels of illiteracy, when asked if they wished to have education only about 38 per cent of the heads of households responded in the affirmative. Of those who expressed a desire for education, about 68 per cent wanted education to equip themselves with some skill to obtain employment and 11 per cent wanted education to help them in adopting modern practices in agriculture. Thus about 79 per cent of the population wants job-oriented or functional education.

Out of a population of 2,684 in the sample households, workers numbered 968 or about 36.1 per cent. Bulk of the labour force is male (about 83.5 per cent) and is drawn from the age-group 15-59 (about 88 per cent). The Census of India 1971 relating to rural Ballia gives almost identical figures regarding the age-sex composition of the workforce. According to it, the males in the labourforce constitute about 84.1 per cent while the age-group 15-59 contributes about 84 per cent.

There is evidence to support the view that an occupational shift has occurred. While 71 per cent of the heads of the households derive their livelihood from agriculture, among total workers (including the heads) the corresponding percentage is 60 -- indicating a clear shift among the relatively young in favour of non-agricultural occupations.

The shift in favour of non-agricultural occupations is accompanied with fairly high mobility rate. Nearly 18 per cent of the household workers are in jobs outside the Block. Mostly people have to go out of the Block to get a job.

IV. Employment and Unemployment

The incidence of open unemployment in the sense of no job attachment is rather low -- official survey as well as our household survey do not reveal it -- yet the beneficiaries reporting for the year immediately preceding the commencement of the PIREP disclose that 15 per cent of them were unemployed.

Workers, however, desire additional work opportunities to be created, as cultivation leaves unutilised a considerable part of available labour time. According to official sources, about 19-20 per cent of the workers desire additional work opportunities. Our household survey, on the other hand, discloses that the percentage of workers available for job expansion programmes is about 48.

Surplus time for other works available with these 48 per cent of the workers is estimated at 58-60 per cent of the total available time. Thus, agriculture is capable of providing full-time employment for only a little more than half of the working time during a year. However, not all of the other half is available for employment outside agriculture. As our household survey does not reflect the exact proportion of labour time which would be supplied for other works, we have to rely on the responses from the beneficiaries.

After allowing for the work which the beneficiaries are able to obtain outside their normal employment activity, the extent of unemployment is estimated to range between 34-37 per cent. This may be compared with the official estimates of unemployment ranging between 14-22 per cent.

It needs be decided if employment-generation schemes have to play predominantly a supplemental role or to contribute to a permanent structural change in the rural economy. If conceived in the former sense, these schemes shall have to be devised under the constraints set by the fluctuations in labour supply between different agricultural seasons and shall perpetuate a structure of the economy and demand measures which run counter to the efforts directed at raising productivity and ensuring more effective resource use. On the other hand, the fact that an overwhelming proportion of the beneficiaries are inclined to leave their present jobs for employment elsewhere suggests that rural economy has reached the threshold for structural transformation, and rural population is eagerly awaiting it. If true, the criteria for selecting projects under PIREP should be the relative effectiveness of alternative projects in introducing permanent structural change in the rural economy.

V. Implementation of PIREP

Projects under the PIREP were estimated to cost about 54 lakhs. Major part of this amount was earmarked for Road construction, Pisciculture tanks, Wells, Bundh and Levelling, about Rs.42.76 lakhs. About 64 per cent of the total proposed expenditure was to be devoted to road construction, 23 per cent on pisciculture tanks, 6 per cent on wells and Bundh, each, and only 1 per cent on levelling. Correspondingly, of the total man-days for which work was planned to be created, about 54 per cent had to be on roads; 30 per cent on pisciculture tanks, 8 per cent on Bundh and 6 per cent on wells. At the implementation level, however, these priorities have not been maintained. Of the total expenditure made so far, 73 per cent (against the planned 64 per cent) has gone on road construction and only 12 per cent (against the planned 23 per cent) has gone on pisciculture tanks. Again, works on Bundh have been neglected relatively to well construction. Similarly, road construction has absorbed 67 per cent of the total man-days for which work has been created upto April 1975 (as against the planned 54 per cent) while pisciculture have provided for only 17 per cent (as against the planned 30 per cent). Thus, the structure of PIREP in terms of weightage given to alternative projects was tilted in favour of supplemental work projects rather than work projects designed to introduce structural transformation in the rural economy, even at the formulation stage. At the implementation level, this

distortion has been further enlarged due to the relative neglect accorded to construction of Bundhs and pisciculture tanks, over roads and wells.

The projects in the two Blocks were not formulated on the basis of uniform standards with respect to labour and material costs components. For example, the estimated ratio for labour-material costs for road construction at Reoti was 59:41 while at Bansdih it was 73:27. This ratio for pisciculture tanks was 89:11 at Reoti and 96:4 at Bansdih. For wells, labour-material costs ratio was 60:40 at Reoti and 70:30 at Bansdih.

In implementation, the ratio between labour-material costs has been lowered to 70:30. This can obviously be expected to have reduced the volume of additional direct employment created under PIREP. While the overall tendency has been for the material component to rise relatively to labour, in respect of pisciculture tanks material component has fallen from the estimated 8 per cent to about 2 per cent. It is also striking that the construction of bunds with the objective of reclaiming land for purposes of cultivation was to be, and has been, done with no material component.

It is instructive to compare how the implementation of the sample projects studied by us differs from the overall implementation, as reported by the Block authorities for the entire Block. The projects for road construction drawn in our sample were formulated on the assumption that the ratio between labour-material costs would be 57:43. Implementation upto 1974, shows that the labour component has been raised from 57 per cent to about 91 per cent. Pisciculture tanks were estimated to be constructed with 96:4 as the ratio for labour-material costs. In actual implementation, upto 1974, material costs were totally eroded. In respect of wells and Bunds, the ratio could be adhered to in actual practice. This raises serious doubts about the durability of the assets created under the PIREP.

The speed with which work on different schemes has progressed upto April 1975 has been slower than the stipulated. Thus, in respect of construction of wells, nearly 83 per cent of the financial outlays for the purpose were utilised. Mandays for which work could actually be created constituted 74 per cent of the total sought to be created under the scheme. In respect of progress of work, road construction scheme came next to wells, with 57 per cent of the financial outlays utilised and 63 per cent of the planned mandays of work created.

Of the funds allotted for constructing Bunds, only 38 per cent could be utilised and 40 per cent of the estimated mandays of work could be created. Development of pisciculture tanks has been neglected most. Only 26 per cent of the funds allotted to it could be utilised and about 29 per cent of the planned mandays of work could be created.

Information relating to the sample projects confirms the above. Mandays for which work could actually be created constituted about 90 per cent of the planned in respect of well construction programme. The corresponding percentages in respect of road construction, tanks, and Bunds are respectively, 47, 43, and 35. The shortfall in attainment of targets is higher in respect of sample projects in comparison to attainments at the Block level.

VI. Impact

One major consideration determining the labour supply to PIREP appears to have been the extent to which available labour-time remains unutilised in 'normal' spheres of economic activity. We noted that the age-group 15-35 years reported a higher degree of non-utilisation in relation to those who are 35 years and above. The age-structure of the Beneficiaries is accordingly tilted in favour of the relatively young. In the sample population, the age-group 15-35 years constitutes about 52 per cent of the total adult population (population above age 15 years) whereas among the Beneficiaries this age-group (15-35 years) constitutes about 64 per cent.

The second consideration which seems to have shaped the supply of labour to PIREP is the relative preference accorded to work inside and outside agriculture. This is revealed through reasons advanced for non-registration and for not reporting to work despite registration.

About 65 per cent of those who worked under PIREP without getting themselves formally registered pointed out that they were not certain that the work opportunities, when created, would not conflict with their own agricultural operations. About 16 per cent clearly stated that they did not have any liking for the nature of jobs created, but in the absence of better alternatives had taken up the work. Thus, about 81 per cent of the unregistered beneficiaries had their first preference for work within agriculture. The others considered the wages relatively low (8 per cent) and the rest explained

their position in terms of personal and domestic problems.

On the other hand are the registered who did not work under PIREP. As noted earlier, about 75 per cent of them explained it in terms of distaste for work outside agriculture or 'attachment' to bigger farmers. About 12 per cent did not find the wages sufficiently attractive and the rest (13 per cent) could not work due to personal and domestic problems.

Thus, 81 per cent of the unregistered beneficiaries and about 75 per cent of registered beneficiaries who did not report for work under PIREP due to conflict with agricultural operations¹ have shown their first preference in favour of work within agriculture.

However, the preference given to agriculture seems to be associated with a sense of security born out of either continued association, over long periods, with the employers in agricultural sector, or possession of howsoever small parcels of land. It is, indeed, striking that about 77 per cent of the registered and 82 per cent of the unregistered beneficiaries have shown their willingness to leave their agricultural occupation in favour of wage employment outside agriculture, provided they are assured of stability. It, thus, turns out that it is not preference for agriculture -- whether permanent or temporary -- which significantly determines the supply of labour outside agricultural sector.

The socio-economic background of the beneficiaries appears closely to correspond to the socio-economic characteristics of the population as revealed by the study of sample households. Almost all the indicators reflect that the beneficiaries have a more depressed economic position, in comparison to the average for the general population. However, as between the registered and unregistered beneficiaries, the latter appear to be better off.

Taking those who reported themselves for work under PIREP at its commencement along with those who got themselves registered, the proportion of persons desirous for work under

1 The possibility of such a conflict is not altogether ruled out when one considers the absorption under PIREP after the registration of a person. On an average, a person had to wait for a little over one year for getting work under PIREP. Incidentally, the persons aged 15-35 years had to wait for a little less (about 11 months) than those aged 35 years or above (about 16 months).

PIREP was found to be about 15 per cent (147). This may be compared with the incidence of unemployment, among the beneficiaries, of about 15 per cent. Thus, as revealed by Household Schedule, almost all the unemployed welcomed PIREP and hoped to benefit from it.

The average number of days for which the registered and the unregistered workers could expect (on the basis of the man-days of work required for completing the project they happened to have joined) to be employed works out to 127 per worker. It is almost identical to our own estimate of 126 days in a year for which additional work needs be created for a worker and in excess of the official estimate of 96 days per worker. But both the registered and the unregistered workers did not avail fully of the opportunities provided. The actual average number of days for which a worker, whether registered or unregistered, worked under PIREP is estimated at 60, or 47.2 per cent of that provided. The average number of days actually worked as a percentage of the average number of days for which work was provided, is much lower for the unregistered (36) in comparison to the registered (58).

About 43 per cent of the beneficiaries (registered and unregistered combined) gave conflict with personal cultivation as the reason for having worked for a duration shorter than that for which work was provided. This seems to be because in the particular circumstances of the agriculturally dominated economy, employment generation programmes have to satisfy a rather difficult condition that the time-scheduling of demand for labour in these projects should correspond to the variation in the supply of labour in different seasons. About 15 per cent of the beneficiaries explained this gap in terms of illness and other domestic problems. About 12 per cent of them attributed it to low wages. Only about 3 per cent relate this gap to distance of work site from their place of residence. The low percentage of beneficiaries giving "distance" as a reason can be appreciated in terms of the fact that average distance of work-sites is only slightly greater than 1 km., to be precise, it is 1.17 km., while the workers are willing to go upto a distance of 5 kms. for work under PIREP. The others (about 27 per cent) constitute a miscellaneous group.

This gap between the actual and the provided work-days would remain a problem as long as the rural working force is not convinced that this would open up a permanent alternative source of living. This is evidenced in the response of 77

per cent of the registered and 82 per cent of unregistered beneficiaries who want work opportunities to be created throughout the year and are prepared to leave their present occupation. This again reinforces our conclusion that employment generation programmes, to be effective, have to be so conceived as to be more durable/continuous than those conceived under PIREP.

Wage rate per day admissible to a worker under PIREP is Rs.4.00. For Reoti-Bansdih combined, the average wage rate per day, reported by the registered beneficiaries is Rs.3.71 and by the unregistered beneficiaries Rs.3.52, against the stipulated wage rate. The wage rate actually paid to the worker, although lower than the stipulated, is higher in comparison to that paid by private employers or other public agencies.

Marginal wage benefits for work under PIREP are only slight for the unregistered workers. In certain cases, the wage rate paid under PIREP is lower for them in comparison to wage paid by private employers (well, tank). Even the registered beneficiaries on well construction report getting lower wages in comparison to that paid by other public employment agencies.

Nearly 82 per cent of the registered beneficiaries and 89 per cent of the unregistered beneficiaries felt that the daily wage under PIREP is inadequate. Most of the beneficiaries give more than one reason for their view. Most common reasons advanced by the beneficiaries for considering the wages inadequate are that work involves removal of relatively hard soil, and carrying it to a longer distance. However, one major reason which has not come out in the responses of the beneficiaries appears to be the practice of comparing the wage rates under PIREP, with the wage rate prevailing for different agricultural operations on which they are generally engaged. Wage rates for watering the fields, ploughing, and harvesting are higher in the sample villages (ranging between Rs. 4 to 7 per day) in relation to the daily wages under PIREP. Undoubtedly, wage rate under PIREP is substantially higher in comparison to the off-season prevalent wage which hovers around Rs.3 per day, yet opinion in regard to adequacy or inadequacy of a wage rate is shaped by what a worker considers normal rate of reward for labour. And normal in this case is the rate of reward for labour in major agricultural operations. Workers, therefore, have expressed a desire that the daily wages under PIREP should be raised to Rs.6.

About 36 beneficiaries reported that they accepted work under PIREP even at lower wages. Nearly 50 per cent of them explained this in terms of lack of alternative opportunities and/or continuous availability of work for a longer duration of time under PIREP. About 33 per cent accepted work under PIREP, because of nearness of the work site, and others due to fixed working hours and no arbitrary deductions.

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